

Message Text

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PAGE 01 STATE 189262
ORIGIN EB-08

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APPROVED BY EB/OT/STA:JSSPIRO
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USITC:JMCHATTON
EUR/EE:CWSCHMIDT
EB/ITP/EWT:DFRIED
-----080582 270123Z /61

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FM SECSTATE WASHDC
TO USLO PEKING PRIORITY
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
USMISSION GENEVA
AMEMBASSY WARSAW
AMEMBASSY BUCHAREST

UNCLAS STATE 189262

ALSO FOR USOECD, USEEC. USOECD PLEASE PASS DAS BARRACLOUGH

E.O. 11652: N/A

TAGS: ETRD, EEW

SUBJECT: CLOTHESPINS: USITC PROPOSES IMPOSITION OF QUOTA
ON IMPORTS FROM PEOPLES REPUBLIC OF CHINA

1. ON MAY 16, 1978, AT THE REQUEST OF FOUR UNITED STATES
PRODUCERS, THE USITC INSTITUTED INVESTIGATIONS UNDER
SECTION 406 OF THE TRADE ACT OF 1974, TO DETERMINE WHETHER
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IMPORTS OF CLOTHESPINS (FOUND IN ITEMS 790.05, 790.07 AND
790.08 OF THE TARIFF SCHEDULES OF THE UNITED STATES) WHICH
ARE PRODUCTS OF THE PEOPLES REPUBLIC OF CHINA, THE POLISH
PEOPLES REPUBLIC AND THE SOCIALIST REPUBLIC OF ROMANIA,
WERE CAUSING MARKET DISRUPTION WITH RESPECT TO SUCH
ARTICLES PRODUCED BY THE DOMESTIC INDUSTRY.

2. FOR THE PURPOSES OF SECTION 406 MARKET DISRUPTION IS DETERMINED TO EXIST WITHIN A DOMESTIC INDUSTRY WHENEVER IMPORTS OF AN ARTICLE, LIKE OR DIRECTLY COMPETITIVE WITH AN ARTICLE PRODUCED BY SUCH DOMESTIC INDUSTRY ARE INCREASING RAPIDLY, EITHER ABSOLUTELY OR RELATIVELY, SO AS TO BE A SIGNIFICANT CAUSE OF MATERIAL INJURY, OR THREAT THEREOF, TO SUCH DOMESTIC INDUSTRY.

3. ON JULY 20, THE USITC MET IN OPEN SESSION AND, WITH THE FULL PANEL OF SIX COMMISSIONERS PARTICIPATING, VOTED UNANIMOUSLY TO REPORT TO THE PRESIDENT THE EXISTENCE OF MARKET DISRUPTION WITH RESPECT TO THE IMPORTATION OF CLOTHESPIN FROM THE PRC. AT THE SAME TIME THE USITC ALSO DECIDED, BY VARYING VOTES, TO REPORT TO THE PRESIDENT THAT MARKET DISRUPTION DID NOT EXIST WITH RESPECT TO THE IMPORTATION OF CLOTHESPIN FROM POLAND OR ROMANIA.

4. ON JULY 25, THE USITC AGAIN MET IN OPEN SESSION AND UNANIMOUSLY VOTED TO PROPOSE TO THE PRESIDENT THAT HE PROVIDE RELIEF IN THE FORM OF A QUANTITATIVE LIMITATION ON IMPORTS FROM THE PRC. THREE OF THE SIX PARTICIPATING COMMISSIONERS PROPOSED A QUOTA OF 431,000 GROSS (TWELVE DOZEN) ANNUALLY FOR A PERIOD OF FIVE YEARS. TWO OF THE OTHER THREE PARTICIPATING COMMISSIONERS ALSO PROPOSED THAT THE QUOTA OF 431,000 GROSS BE APPLIED FOR A PERIOD OF FIVE YEARS BUT THAT IT BE ADMINISTERED ON A QUARTERLY, RATHER UNCLASSIFIED

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THAN ON AN ANNUAL BASIS, AND THAT THERE BE A FIVE PERCENT ANNUAL GROWTH. THE SIXTH COMMISSIONER PROPOSED THAT IMPORT RELIEF BE LIMITED TO THREE YEARS. UNDER THE TRADE LEGISLATION THE FIRST RECOMMENDATION REPRESENTS THE DETERMINATION OF THE USITC.

5. THE PROPOSED QUOTA OF 431,000 GROSS REFLECTS AVERAGE ANNUAL IMPORTS OF CLOTHESPIN FROM THE PRC DURING THE THREE YEAR PERIOD 1975/1977.

6. THE USITC WILL SUBMIT ITS REPORT TO THE PRESIDENT BY AUGUST 3, 1978. THE PRESIDENT HAS SIXTY DAYS FROM THE DATE OF THE RECEIPT OF THE REPORT TO MAKE A DECISION ON ITS DISPOSITION. IF THE PRESIDENT DECIDES THAT HE WILL PROVIDE IMPORT RELIEF, HE MAY DO SO FOR A PERIOD NOT TO EXCEED FIVE YEARS. THE RELIEF MAY TAKE ONE OF A NUMBER OF FORMS. THE PRESIDENT CAN PROCLAIM (1) AN INCREASE IN ANY DUTY, (2) A TARIFF RATE QUOTA, (3) A QUANTITATIVE RESTRICTION, OR (4) ORDERLY MARKETING AGREEMENTS WITH FOREIGN COUNTRIES LIMITING THE EXPORT FROM FOREIGN COUNTRIES AND THE IMPORT INTO THE UNITED STATES. HE CAN ALSO TAKE ANY COMBINATION OF THE FOREGOING ACTIONS. IN

ADDITION, THE PRESIDENT CAN ORDER EXPEDITIOUS CON-
SIDERATION OF ADJUSTMENT ASSISTANCE PETITIONS IN CON-
JUNCTION WITH ANY OF IMPORT RELIEF AS WELL AS IN A CASE
WHERE NO IMPORT RELIEF IS PROVIDED. IMPORT RELIEF MUST
TAKE EFFECT WITHIN FIFTEEN DAYS AFTER A DETERMINATION IS
MADE, UNLESS A DECISION IS MADE TO NEGOTIATE ORDERLY
MARKETING AGREEMENTS IN WHICH CASE IMPORT RELIEF MUST TAKE

EFFECT WITHIN SIXTY DAYS.

7. FOR PEKING. SEE SEPTTEL FOR ADDITIONAL BACKGROUND
INFORMATION.

8. COPY USITC REPORT WILL BE AIRPOUCHED TO ADDRESSEE
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UNCLAS STATE 189262

FOLLOWING REPEAT STATE 189262 ACTION USLO PEKING PARIS
BRUSSELS GENEVA WARSAW BUCHAREST JUL 26.

QUOTE: UNCLAS STATE 189262

ALSO FOR USOECD, USEEC. USOECD PLEASE PASS DAS BARRACLOUGH

E.O. 11652: N/A

TAGS: ETRD, EEWI

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1. ON MAY 16, 1978, AT THE REQUEST OF FOUR UNITED STATES PRODUCERS, THE USITC INSTITUTED INVESTIGATIONS UNDER SECTION 406 OF THE TRADE ACT OF 1974, TO DETERMINE WHETHER IMPORTS OF CLOTHESPIN (FOUND IN ITEMS 790.05, 790.07 AND 790.08 OF THE TARIFF SCHEDULES OF THE UNITED STATES) WHICH ARE PRODUCTS OF THE PEOPLES REPUBLIC OF CHINA, THE POLISH PEOPLES REPUBLIC AND THE SOCIALIST REPUBLIC OF ROMANIA, WERE CAUSING MARKET DISRUPTION WITH RESPECT TO SUCH ARTICLES PRODUCED BY THE DOMESTIC INDUSTRY.

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2. FOR THE PURPOSES OF SECTION 406 MARKET DISRUPTION IS DETERMINED TO EXIST WITHIN A DOMESTIC INDUSTRY WHENEVER IMPORTS OF AN ARTICLE, LIKE OR DIRECTLY COMPETITIVE WITH AN ARTICLE PRODUCED BY SUCH DOMESTIC INDUSTRY ARE INCREASING RAPIDLY, EITHER ABSOLUTELY OR RELATIVELY, SO AS TO BE A SIGNIFICANT CAUSE OF MATERIAL INJURY, OR THREAT THEREOF, TO SUCH DOMESTIC INDUSTRY.

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Message Attributes

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